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<https://members.pensionpal.co.uk/BTLynxMasterPlan>

2023/2024 Summary Funding Statement for members of the BT (Lynx) Section of the Pensions Master Plan

Hello and welcome to the 2023/2024 Summary Funding Statement, providing you with an update on the Section. In this Summary Funding Statement we will report on important financial information including the funding position of the BT (Lynx) Section of the Pensions Master Plan.

PAN
TRUSTEES



Andrew Firbank
Trustee



John Breedon
Trustee

We are the Trustee of BT (Lynx) Section of the Pensions Master Plan (referred to as the "Section"). We are a professional independent trustee from PAN Trustees UK LLP. As we are responsible for making sure there is enough money in the Section to pay everyone's benefits.

Trustee,

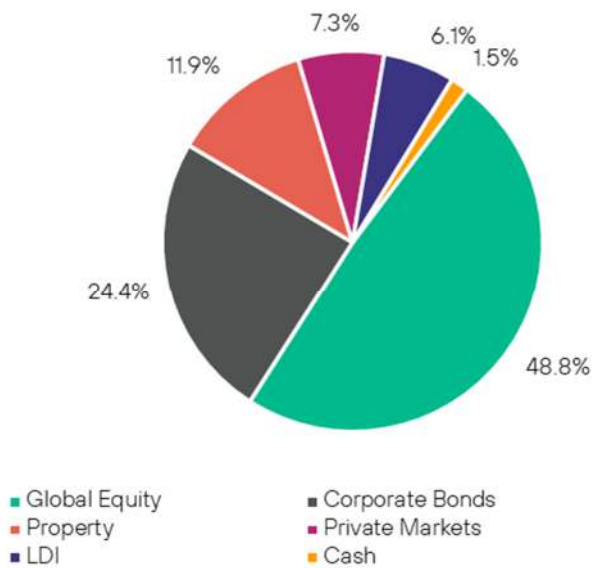
This statement sets out the Section's financial position following the triennial actuarial valuation as at 31 March 2023 and the 31 March 2024 annual funding update.

We hope you find this Summary Funding Statement informative. If you have any questions, contact details can be found on page 7.

Our investments

The money that has built up in the Section is known as its “assets” and the way that the assets are invested is an important part of keeping your benefits secure. The day-to-day management of the Section’s assets is delegated to Legal & General Investment Management and the Trustee reviews the investment strategy and monitors the investment returns on a regular basis. The Trustee takes a long-term view, bearing in mind that payments from the Section will continue for a long time into the future.

The Section’s assets were invested as follows at 31 March 2023.



Source: Section asset valuations from the Section Report and Accounts at 31 March 2023.

Following the 31 March 2023 actuarial valuation of the Section, an updated investment strategy was agreed, which included two significant de-risking exercises. Further details regarding the investment strategy are contained in our statement of investment principles, which you can view online here: www.members.pensionpal.co.uk/BTLynxMasterPlan



Summary Funding Statement

Every year the Trustee reports to you on how the Section is funded. As members, you have built up valuable benefits in the Section, so it is important for you to understand how the Section will pay for those benefits in the future.

Actuarial valuation and funding update

We have appointed a qualified, independent professional, known as an Actuary, to help us regularly review whether the Section has enough money and whether British Telecommunications plc ("BT") needs to pay more. This review is called an actuarial valuation and is carried out at least every three years. Our Actuary also reviews the financial position of the Section every year so that we can understand how changes in financial market conditions are affecting the Section.

The latest completed full triennial valuation of the Section was at 31 March 2023. To check the Section's financial security we look at its financial position and compare the value of its liabilities to its assets. 'Liabilities' are the estimated cost of providing the benefits you and other members have earned to date. If the Section has fewer assets than liabilities, it is said to have a "shortfall". If the assets are more than the liabilities, there is said to be a "surplus".

As shown in the full formal valuation, the value of the Section's liabilities reduced over the year to 2023 due to an increase in interest rates, used to assess the value of the liabilities. The Section holds a large proportion of assets designed to match the liabilities; therefore, the value of the assets also decreased over the year.

Since the completion of the full actuarial valuation, the value of the Section's liabilities has reduced further over the year to 2024 due to additional increases in interest rates.

	31 March 2024	31 March 2023	31 March 2022	31 March 2021
Results (£'000)	Funding Update	Formal Valuation	Funding update	Funding Update
Section assets (A)	16,442	15,625	18,340	17,639
Value of Section benefits (‘liabilities’) (B)	15,849	17,016	22,913	24,199
Surplus/(Shortfall) in the assets (B-A)	593	(1,391)	(4,573)	(6,560)
Funding level (A ÷ B)	104%	92%	80%	73%

Employer Contributions

Whilst there was a shortfall in the Section as at 31 March 2023, positive experience since then resulted in the Section being in a surplus as at 29 February 2024. The Section is also closed to future build-up of benefits, therefore neither BT nor members are currently required make any contributions to the Section. BT has agreed to pay voluntary contributions of £100k per annum from 1 April 2024 until 31 March 2027.

Ongoing Section expenses are being met from the Section's assets.

The next full actuarial valuation of the Section will be carried out as at 31 March 2026 but we will write to you again with an update as at 31 March 2025.

How secure is my pension?

As you can see, the funding position has increased over the two years. At 31 March 2024 the Section had enough assets to pay all of the Section's benefits built up. You should be aware that the funding level can vary as a result of a number of different factors, particularly investment performance, interest rates and life expectancy. This means that the funding level can go up or down in the future. The Trustee and Scheme Actuary will regularly monitor the Section finances and take steps to improve the security of your benefits further where possible.

What would happen if the Section were to wind up?

If the Section were to wind up and BT was solvent, BT would be obliged to pay sufficient money into the Section to ensure that members' benefits could be secured in full by the purchase of annuity policies. However, if BT could not pay the full amount required, then it is possible that the Section could transfer to the Pension Protection Fund (PPF).

The actuarial valuation includes a test of whether the Section could afford to secure all of its benefits with an insurance company, for example if the Section were to wind up. At 31 March 2023 it was estimated that the Section would have needed an additional £3.6m on top of the Section's assets of £15.6m. We are legally bound to disclose to you this figure – it does not mean the Section will be 'wound up' in the immediate short term.



The Pension Protection Fund

If BT becomes insolvent and there is not enough money to buy all the benefits with an insurance company, members may be protected by the PPF. The PPF is a government body which provides a safety net for all members but would pay lower benefits than the Section would. For more information on how and why a pension scheme enters the PPF, and the benefits that members would be entitled to, please visit the PPF's website at www.pensionprotectionfund.org.uk.

Accessing your pension early

If you are over age 55, it may be possible to retire early under the rules of the Section and start receiving your pension. Your pension benefits within the Section depend on a number of factors including when you accrued your pension, your pensionable salary and the category of your membership.

Members that joined the Lynx Technology Limited Pension & Life Assurance Scheme before 1992 or who are "Data Logic" members are able to take their pension at age 60 without a reduction for early payment. If you retire at any age before you are aged 60 your pension will be reduced for early payment. The way the reduction is applied for "Vistec" members that joined the Lynx Technology Limited Pension & Life Assurance Scheme before 1992 means they may receive a significantly lower pension if they retire just before they are aged 60, compared with if they retire at age 60.

For all other members, you may be able to retire early but your pension would be reduced to reflect the fact that by retiring before your normal retirement date you would receive a pension for longer than if you retired at your normal retirement date.

If you would like to find out more information about the pension you would receive if you retire early within the Section, please contact the Section's administrator.



Developments in pensions



Inflation and the cost of living crisis

Annual inflation was significantly higher in 2022 and 2023 compared to prior years. Most benefits provided in the Section offer some inflation protection. The increases that you receive in payment will depend upon when you built up benefits. The increases you receive prior to retirement between the date you left the Section and up to retirement, mostly increase in line with inflation subject to limits set out in legislation. The impact of the current levels of inflation will vary by member depending on when you choose to retire and when you built up your benefits in the Section.

As Trustee, we continue to be aware of the current cost of living crisis in the UK. If you have any questions around your benefits, please contact the Section's administrator using the contact details below. More widely, the Trustee encourages you to check you are claiming all the government support you are eligible for by checking this website:

www.gov.uk/benefits-calculators.



Minimum retirement age

Normal Minimum Retirement Age (NMRA) is the minimum age at which the government will allow you to take your pension benefits (other than on ill health grounds), without incurring additional tax charges.

The NMRA is currently age 55. The government has confirmed that the NMRA will be increased from age 55 to age 57 on 6 April 2028. After this date you will have to wait until your 57th birthday to take your benefits.



GMP Equalisation

If you joined the Section before 6 April 1997, part of your overall pension benefit is known as Guaranteed Minimum Pension (GMP). Historic rules set by the UK government meant the terms on which GMPs have been paid are not equal for males and females.

Following a High Court ruling, we now need to adjust for any past differences and ensure equality going forward. This means that some members may see a small change to their overall pension in the future. The Trustee is progressing work with their advisers and will provide further updates and details to affected members in due course.



Changes to the lifetime allowance (LTA)

The government previously taxed some of your benefits differently if the value of your pensions was above the LTA (£1,073,100 in the 2023/24 tax year). The government have abolished the LTA for most purposes from 6 April 2024. If you have any questions on the impact on your Section benefits please contact us using the details below.



Mid Life MOT

The Department of Work and Pensions (DWP) has launched an online mid-life MOT tool. It aims to help workers over age 45 take stock of their finances, skills and health.

Based on your answers to a short series of questions, the tool will provide you with a bespoke report outlining areas you could focus on and where to find further information and support to meet your needs. You won't need any documents or extra information to use the tool and it should take around 5 minutes. The tool is free and available at www.moneyhelper.org.uk/en/everyday-money/midlife-mot



Expression of wish form

Have you completed an expression of wish form? This tells us who you would like to inherit your pension benefits should you die before retirement. There are some conditions on who can be nominated however the Trustee will take your wishes into consideration. The form can be updated at any time should your circumstances change. You can obtain a copy of the form via the Section website or contacting the Section's administrators using the details on page 7.



Delegating control

Have you considered how you or your family would manage your financial affairs if you couldn't carry out everyday tasks for yourself? A power of attorney is a legal document that allows someone to make decisions for you, or to act on your behalf, if you're no longer able or no longer wish to manage your own affairs.

There are different types of power of attorney and you can set up more than one. However, you can only do this while you still have capacity, so you'll need to plan ahead. You can find out more at www.gov.uk/power-of-attorney or you can get advice from a solicitor.



Protecting yourself against pension scams

It is important to know the warning signs when it comes to pension scams. Often scammers will try to persuade pension savers to transfer their entire pension savings, or to release funds from your savings, by offering incentives such as higher returns or releasing cash before age 55.

What to look out for

- Calls, texts or emails from unknown numbers or email addresses
- Phrases such as "free pension review", "pension liberation", "loan", "cashback"
- Guarantees that they can get you better returns on your pension savings
- Help to release cash from a pension before the age of 55, with no mention of the tax implications
- Complicated or unusual, high-risk investments

Help and advice

The Government's Pension Wise service (provided by MoneyHelper) explains your options at retirement: www.moneyhelper.org.uk

Speak to an adviser authorised by the Financial Conduct Authority (FCA): <https://register.fca.org.uk>

Visit the Pensions Regulator website for more information on pension scams: www.thepensionsregulator.gov.uk

If you think you have been a victim of a scam, please report it to the FCA on 0800 111 6768 or email consumer.queries@fca.org.uk

Further information

Your benefits in the Section

You can find out more information about the Section on our website at www.members.pensionpal.co.uk/BTLynxMasterPlan

If you are considering leaving the Section by transferring your benefits to another pension arrangement, we recommend that you obtain advice from a financial adviser. You can find information about advisers local to you by contacting MoneyHelper at www.moneyhelper.org.uk.

You can contact MoneyHelper at any time for free and impartial guidance.



Your Section administrators - Isio



If you have changed your address or wish to change your nominated beneficiary, then please let us know by contacting us using the following contact details:

By phone: 0333 016 5302

By email: BTLynx@isio.com

By letter: Isio Group, PO Box 163, Blyth, NE24 9GS

As administrator for the Section, Isio holds and processes personal data about the Section's members and beneficiaries enabling them to carry out their duties in respect of the Section on behalf of the Trustee.

The Privacy Notice sets out details of the data which the Section collects and what this is used for. If, however, in the future you would like to request a further copy of this please contact us using the details above.

Other information

By law, we are required to confirm whether any payment has been made to BT out of the Section's assets since the last Section financial update. We must also tell you if the Section has been modified by the Pensions Regulator or whether the Pensions Regulator has made any directions regarding the Schedule of Contributions or how Section benefits are valued. We can confirm that none of these events has occurred.



Finally, there are a number of documents about the Section which are available for you to read. Please contact us if you would like to receive a copy of any of the following documents:

Annual Section Report and Accounts – this summarises the Section’s financial position over the financial year between 31 March 2022 and 31 March 2023

Actuarial Valuation Reports – this shows the Section’s latest financial position. The most recent valuation is as at 31 March 2023

Recovery Plan – this sets out how BT has agreed to pay contributions to the Section so that it has enough money to pay everyone’s benefits

Schedule of Contributions – this shows the total amount of money BT has agreed to pay into the Section

Statement of Funding Principles – this sets out how the Trustee and BT have agreed to assess the financial position of the Section

Statement of Investment Principles – this sets out our policy on investing the Section’s assets and is available online here :

<https://www.members.pensionpal.co.uk/BTLynxMasterPlan>

Section Rules – These are the legal documents which set out how the Section is run



BT (LYNX) SECTION OF THE PENSIONS MASTER PLAN (“the Scheme”)

Privacy Notice from the Scheme Trustee

The Trustee needs to collect, use and maintain personal information about you in order to run the Scheme and pay benefits. When we do so we are regulated under the UK General Data Protection Regulation (the UK GDPR) and the Data Protection Act 2018.

We are responsible as “controllers” of your personal data. In legal terms, the Trustee and the Scheme Actuary, Greg Morris, of Isio Group Limited (IGL), are both independently ‘data controllers’ and whilst we are required to tell you some things about the personal information we have about you, how we use it and what your rights are in relation to it, any other Data Controllers are required to issue their own Privacy Statement under GDPR and relevant data legislation which is available on their website. Accordingly references in this document to ‘we’ or ‘us’ are to the Trustee only.

Collection of your information

Generally, Personal data is any information relating to an identified or identifiable individual. We collect and process the following information about you:

- your personal details such as your name, gender, date of birth, home address, telephone numbers, email addresses, marital status, details of your spouse/civil partner, national insurance number, and country of residence;
- information relating to your employment and benefits, including your employment history, salary information, service history, member identifying number (which is assigned to you by the Scheme), the date you joined or left the Scheme, pensionable service information relating to you, your earnings, the history, category and value of contributions and benefits that you receive, and any relevant matters impacting your benefits such as voluntary contributions, pension sharing orders, tax protections or other adjustments;
- financial details, such as bank account details and tax information;
- records of our communications with you, including any complaints; and
- in some cases, special categories of personal data may be held about you, which carry additional safeguarding requirements under data protection legislation. Examples include information concerning your health or relevant medical information in the case of ill-health early retirement and ill-health reviews, and where incapacity or similar reasons determine the benefits paid to you); information about your race or ethnicity, religious beliefs, or sexual orientation for monitoring purposes; information regarding Trade Union membership, where relevant to managing your benefits and knowing who represents your interests.

Where applicable, we also collect information about your nominated beneficiaries, dependants or next of kin. Before providing us with any such information, you should provide a copy of the information in this notice to those individuals.

In some cases, the above information may also be collected from other sources:

- The employer;
- Members of the Scheme (e.g.: if you are a nominated beneficiary on that Member’s death), people acting on your behalf or tracing services
- Isio Pensions Limited (company number 09447994), the current third-party administrator for the Scheme;

- Other schemes (if you have transferred benefits from them);
- Government departments such as HMRC and DWP;
- People acting on your behalf;
- Tracing Services or publicly accessible sources (e.g. the electoral roll) if we have lost touch with you and we are trying to find you.

If we ask you for other information in the future (for example, about your health), we will explain whether you have a choice about providing it and the consequences for you if you do not do so.

How we use your information

We use your information for the following purposes:

- a) communicating with you in relation to your benefits and contributions, handling requests for transfers and allocation of death benefits, dealing with complaints, and making disclosures at your request such as in relation to transfers to other schemes;
- b) for general administration of the Scheme, including: to record and pay benefits; for actuarial valuations and calculations; for reviews we or our administrators conduct for statistical and reference purposes; in connection with any corporate activity a Scheme employer may be engaged in; and for other checks or administrative activities that may become necessary from time to time (like member tracing should we happen to lose contact with you) or to prevent fraud;
- c) for meeting our on-going regulatory, legal and compliance obligations, and investigating or preventing crime;
- d) to improve our processes and our use of technology, including testing and upgrading of systems, and to learn about other processes we can use to improve the administration of the Scheme; and
- e) when we undertake or agree to activities from time to time to help us to determine and manage Scheme investments and risks, manage the liabilities of the Scheme, such as longevity modelling and hedging, insurance, bulk transfers, pension increase exchanges and transfer value exercises, including (where relevant) disclosures to administrators for calculating offers made to you in relation to these activities and disclosures to advice providers to allow you to obtain financial advice.

Our use of your information as described above is permitted by applicable data protection law because it is:

- (i) required to meet our legal or regulatory responsibilities, including when we make the disclosures to authorities, regulators or government bodies referred to below;
- (ii) necessary for establishing, exercising or defending legal claims or where the processing relates to personal data manifestly in the public domain;
- (iii) in limited circumstances, processed with your consent which we obtain from you from time to time, such as when you ask us to make disclosures or direct us on benefit payments or where the Scheme Rules require you to provide information which we cannot otherwise process without your consent;
- (iv) necessary for our legitimate interests: in pursuing the purposes set out in (a) to (e) above; in establishing, exercising or defending legal claims; and (when we make the disclosures to your employer for the audit and corporate transaction purposes referred to below) necessary

for their legitimate interests, such interests in each case not being overridden by your privacy interests; and

- (v) necessary for your legitimate interests in having your benefits administered correctly.

Where the personal data we collect from you is needed to meet our legal or regulatory obligations or to calculate or pay benefits to you or your nominated beneficiaries, if we cannot collect this personal data, we may be unable to record, calculate or pay your or your beneficiaries' benefits.

Where we hold special categories of personal data, we will explain to you at the time why we need it and how the information will be used. We will only process special categories of personal data where we need to do so to establish a right to a benefit. In any other circumstances where we need to process special categories of personal data, we will seek your prior consent.

Where we are carrying out processing on the basis of your consent, you have the right to withdraw that consent at any time by contacting us on the details provided. Any withdrawal of consent will not impact the lawfulness of the processing which took place prior to such withdrawal.

We will seek to ensure that our information collection and processing is always proportionate. We will notify you of any material changes to the information we collect for the purposes for which we collect and process it.

Disclosures of your information

The Trustee may share your information with the following recipients:

- our suppliers, including your employer and other providers of services to us and them, such as administrators, Banks and Deposit takers, financial advisors (to provide you with financial advice), payroll providers (to record and pay benefits), the Scheme actuary (for actuarial calculations), and printing, communication, IT and hosting, marketing, and tracing providers;
- the Independent Trustee to the Scheme - PAN Trustees UK LLP ("PAN");
- our solicitors – Deloitte Legal – for the provision of legal advice, where required;
- your employer for audit purposes or in relation to corporate transactions initiated by them;
- insurance and reinsurance companies, such as when we carry out the activities referred to in (e) above;
- public authorities, regulators or government bodies, including when required by law or regulation, under a code of practice or conduct, or when these authorities or bodies require us to do so; and
- other persons from time to time when the disclosure is needed to exercise or protect legal rights, including our own and those of other stakeholders, or in response to requests from individuals or their representatives who seek to protect their legal rights or such rights of others.

This data sharing enables us to administer the Scheme in a compliant manner and ensure that our duties as trustees are discharged lawfully.

We will not share your personal information with any other third party. All third-party service providers are required to protect your personal information in line with our policies and we only permit them access to your personal data in relation to the specified purposes and in accordance with our instructions.

Transfers of your information abroad

The use and disclosure of your information, including for the purpose referred to in (a) to (e) above, may involve transferring your information outside of the European Economic Area. In those cases, except where the relevant country has been determined by the relevant public authority to ensure an adequate level of data protection, we require (through a binding agreement) that the recipients comply with appropriate measures designed to ensure that the transferred information is protected, for example by a data transfer agreement in the appropriate standard form approved for this purpose by the European Commission or (where applicable) relevant authority in the United Kingdom. Further details of these transfers including copies of any data transfer agreements we use are available from us on request.

We may also transfer information for the purpose of our compelling legitimate interests, so long as those interests are not overridden by your interests, rights and freedoms. Specific conditions apply to such transfers and we will provide relevant information if and when we seek to transfer your personal data on this ground.

Retention of your information

We will only retain personal data for as long as necessary to fulfil the purpose for which it was collected or to comply with legal, regulatory or internal policy requirements. To do this, we will keep your information for the longer of the period required in order to meet our legal or regulatory responsibilities, and the period envisaged within our retention management policy documentation. We determine the period envisaged within such documentation with regard to the Scheme's operational and legal requirements, such as facilitating the payment of benefits to you or your nominated beneficiaries, calculating and managing the liabilities of the Scheme, and responding to legal claims or regulatory requests.

Please note, the Scheme's Independent Trustee, PAN may continue to hold personal data collected through its role as a Trustee even when it is no longer a Trustee of the Scheme. Information about PAN's approach in this situation to data security as a firm can be found at <https://www.pantrustees.co.uk/Scheme-GDPR/>

Your rights

You have rights under data protection law of fair processing and transparency over how we use your personal data. You have a right of access to and rectification or erasure of your personal data and to restrict its processing, and (in some circumstances) to require certain of your information to be transferred to you or a third party. Where you request it, you may receive the personal information we hold about you, and this must be provided in a clear, and understandable manner. You may transfer this information to a third party in certain situations.

You also have rights under data protection law to object to the processing of your information on grounds which we have said are necessary for our legitimate interests (see above), or for marketing purposes (see above). You may object to decisions being taken by automated means which produce legal affects concerning or significantly affecting you.

If you have any questions or wish to exercise any of the above rights, you can contact us as detailed below.

You also have the right to withdraw your consent to the use of your information, to the extent such use is based on your consent, but this may affect the operation of our service over your benefits and such objection cannot work retrospectively (e.g.: in relation to data already processed).

Further information may be required to carry out requests

In some cases, it may be necessary to obtain additional information from you, such as in order to carry out your request for a transfer or allocation of benefits. We will notify you when your information is required for this purpose.

Keeping your Personal Data Secure

We have appropriate security measures in place to prevent personal information from being accidentally lost, or used or accessed in an unauthorised manner. We limit access to your personal information to those who have a genuine need to know it. Those processing your information will only do so in an authorised manner, and are held to a duty of confidentiality.

We have procedures in place to deal with suspected or actual security breaches. In such unfortunate circumstances we will notify you, and any applicable regulator of the security breach where we are legally required to do so and within applicable time limits.

If you want detailed information from "Get Safe Online" (which is supported by HM Government and leading businesses) on how to seek to protect your information and your computers and devices against fraud, identity theft, viruses or other online problems please visit getsafeonline.org.

How to complain

We hope that we can resolve any queries or concerns you might raise about the use of your personal data.

However, the UK GDPR also gives you the right to lodge a complaint about our processing of your personal information with the office of the Information Commissioner (using website: www.ico.org.uk or by calling them on 0303 123 1113).

Status of this privacy notice

This privacy notice was updated in June 2023. It is non-contractual. We reserve the right to amend it from time to time, but will notify you where we do this.

Issued on behalf of

The Trustee of the BT (Lynx) Section of the Pensions Master Plan

Contact details:

Gail Pickles
PAN Trustees UK LLP
Cumberland House
35 Park Row
Nottingham
NG1 6EE

June 2023